

COPY

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March 4, 1986

Mr. Don Pendleton
District Manager
Bureau of Land Management
150 East 900 North
P.O. Box 768
Richfield, UT 84701

Re: Potassium Prospecting Permits
Nos. U-37866 through U-37868
and U-37869, SDL Project,
Millard County, Utah

Reference is made to the conference held in the office of Mark Bailey, Area Resource Manager at Fillmore, Utah, approximately sixty days ago in which we reviewed the Application for Appropriation of Water in Sevier Dry Lake and also prospective exploration to be conducted in the area. We also discussed pending applications for extension of Prospecting Permits in the area, which extensions were subsequently approved with modified stipulations, copy of which is attached.

The modified stipulations provide that the nature of the work to be performed on the lands shall consist of drilling or comparable prospecting such as, among other items listed, brine evaporation studies (both bench and field). The stipulations also provide that if the permittee desires to conduct additional operations or change the method of exploration, then written approval must first be obtained from the authorized officer. Our information is that the District Manager is the "authorized officer" under current regulations.

Although we are not certain that the limited exploration operations proposed are not already permitted under the recently modified stipulations, we have concluded that it is appropriate to file with you a description of the specific work which is anticipated to be performed in the near term affecting the area covered by prospecting permits. Enclosed is a Memorandum which discusses the proposed exploration upon Sevier Dry Lake and the procedures to be utilized.

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It is requested that the enclosed information be reviewed and, if you deem it necessary, approved as a request to conduct additional operations or to change the method of exploration pursuant to the terms of the stipulations.

Also enclosed are the following for your information:

1. A copy of a Notice of Intention to Commence Mining Operations and Mining and Reclamation Plan, State of Utah Form MR-1, filed with the Division of Oil, Gas and Mining of the State of Utah in compliance with that agency's rules and regulations.
2. A copy of a separate letter addressed to you relating to a Plan of Operations required pursuant to the regulations appearing in 43 CFR §3809.1 for conduct of operations upon the public domain of the United States under mining claims located in accordance with the general mining laws of the United States, which also cover the land described in the attached Memorandum.

Your prompt handling of this matter will be appreciated as we are anxious to commence the work no later than June 15, 1986.

Very truly yours,



M. C. Godbe, III

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Enclosure